

Message Text

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PAGE 01 LIMA 08922 292257Z

12

ACTION ARA-10

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FM AMEMBASSY LIMA

TO SECSTATE WASHDC 2025

INFO AMEMBASSY BOGOTA

AMEMBASSY CARACAS

AMEMBASSY LA PAZ

AMEMBASSY QUITO

AMEMBASSY SANTIAGO

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EO 11652: NA

TAGS: ECIN, BL, CI, CO, EC, PE, VE

SUBJECT: ANDEAN PACT COMMISSION MAJORITY MAKES ONE
MORE EFFORT TO RESOLVE IMPASSE

REF: LIMA 8508, SANTIAGO 9383

1. SUMMARY: THE ANDEAN PACT JUNTA AND FIVE COMMISSION MEMBERS MET IN CALI, COLOMBIA THIS PAST WEEKEND TO AGREE ON A REACTION TO CHILE'S REJECTION OF THEIR COMPROMISE OFFERED EARLIER. THE RESULT WAS A THREE POINT COMMUNIQUE WHICH OFFERED CHILE A MEANS TO PURSUE ITS OWN COURSE WITHOUT ACTUALLY LEAVING THE PACT, IF IT WOULD SIGN THE ADDITIONAL PROTOCOL WITHIN THE SIXTY DAY PERIOD PRESCRIBED.

END SUMMARY.

2. IN THE CONTINUING EFFORT TO DEAL WITH THE IMPASSE RESULTING FROM CHILE'S INSISTENCE ON BASIC CHANGES IN THE NATURE OF THE CARTAGENA ACCORD, THE REMAINING FIVE COMMISSION MEMBERS AND THE THREE MAN PACT JUNTA
UNCLASSIFIED

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PAGE 02 LIMA 08922 292257Z

HELD TWO DAYS OF CLOSED MEETINGS IN CALI, COLOMBIA,

SEPTEMBER 25-26. COLOMBIAN MINISTER OF ECONOMIC DEVELOPMENT, DIEGO MORENO, WHO IS CONCURRENTLY PRESIDENT OF THE PACT COMMISSION, HAD EARLIER TOLD THE PRESS HE HAD CALLED THE MEETING IN RESPONSE TO URGENT REQUESTS FROM THE GOVERNMENT OF VENEZUELA. TUDSDAY'S PRESS CARRIED THE RESULTS OF THE MEETING WHICH ARE CONTAINED IN A THREE POINT COMMUNIQUE. THE FIRST POINT RENEWS THE CALL TO CHILE TO REESTABLISH THE NORMAL ORDER OF THE ANDEAN INTEGRATION PROCESS THROUGH SIGNING THE ADDITIONAL PROTOCOL IN THE SIXTY DAY PERIOD PROSCRIBED. THE SECOND POINT REITERATES THE READINESS OF THE FIVE (AFTER THE NORMAL PROCESS IS RESTORED) TO NEOGTIATE WITH CHILE A TEMPORARY SPECIAL RELATIONSHIP ASSURING CHILE ITS RIGHTS AND OBLIGATIONS UNDER THE ACCORD AND ESTABLISHING THE PERIOD AND CONDITIONS THOURGH WHICH CHILE COULD FULLY REJOIN. THE THIRD POINT IS A DECLARATION OF THE FIVE OF THEIR RINTENT TO CONTINUE WITH THE WORK OF THE ACCORD EVEN IF CHILE DOES NOT ACCEPT THE TWO FOREGIING PROPOSALS.

3. THIS DEVELOPMENT SEEMS A LOGICAL REACTION TO THE ABORTED ATTEMPT TO FORMALLY RE-OPEN THE TWENTIETH ORDINARY SESSION OF THE COMMISSION HERE SEPT. 14-16. LITTLE HAS BECOME KNOWN HERE YET ABOUT THE SUBSTANCE OF THOSE CLOSED INFORMAL MEETINGS EXCEPT INDICATIONS THAT THERE WAS LITTLE SUBSTANTIVE GIVE AND TAKE BEYOND RESTATEMENTS OF PREVIOUS POSITIONS. THE ONE EXCEPTION WAS PERU MINISTER OF INTEGRATION DU BOIS'S REFERENCE TO CHILE'S "VALUE ADDED" PROPOSAL WHICH WAS UNACCEPTABLE TO THE OTHERS. AS POINTED OUT IN SANTIAGO 9383 THIS WAS NOT INTENDED AS A BASIS FOR COMPUTING PROFITS, QUALIFYING FOR REPATRIATION BUT APPARENTLY AMPLIFIED A PROPOSAL ECONOMIC MINISTER DE CASTRO HAD OUTLINED IN AN EARLIER SPEECH IN SANTIAGO (DESCRIBED IN THE SEPTEMBER ANDEAN REPORT) UNDER WHICH FIRMS WHOSE OUTPUT INCLUDE A HIGH PORTION OF LOCAL VALUE ADDED WOULD BE CONSIDERED NATIONAL RATHER THAN FOREIGN. THE OTHER FIVE CONTINUE TO HOLD THAT THE KEY ISSUE IS THE POWER OF DECISION WHICH IS DETERMINED BY EQUITY OWNERSHIP.

4. IT IS DOUBTFUL THAT THE FIVE HAVE BEEN CONSIDERING
UNCLASSIFIED

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PAGE 03 LIMA 08922 292257Z

ANY FURTHER CONCESSIONS TO CHILE WHICH WOULD INDUCE THAT COUNTRY TO RATIFY DECISION 100 WITHIN THE SIXTY DAY PERIOD ORIGINALLY SET AT THE OPENING OF THE TWENTIETH ORDINARY SESSION OF THE COMMISSION AUGUST 4.

5. COINCIDENTALLY THE CHILEAN POSITION WAS UNDERLINED BY FOREIGN MINISTER PATRICIO CARVAJAL DURING A BRIEF AIRPORT INTERVIEW GIVEN HERE WHILE ENROUTE TO THE UNGA.

HE SAID HE WOULD LIKE TO BE ABLE TO SAY THAT CHILE IS GOING TO SIGN DECISION 100, BUT THAT FOR CHILE TO CONTINUE IN THE PACT THERE MUST EXIST CONDITIONS COMPATIBLE WITH THE ECONOMIC REALITIES OF CHILE.

6. PERHAPS MORE PERTINENT TO THE CHILEAN GOVERNMENT'S THINKING WERE PRESIDENT PINOCHET'S COMMENTS TO THE URUGUAYAN PAPER EL PAIS REPRATED HERE BY AFP SEPT. 26. IN ANSWERING QUESTIONS ON INTEGRATION OF THE SOUTHERN CONE, PINOCHET DENIED THAT BILATERAL OR TRIALTERAL AGREEMENTS WORKED AGAINST REGIONAL ACCORDS. RATHER THEY CONSTITUTE PARTIAL STEPS WHICH AID THE CONTINENTAL INTEGRATION PROCESS. HE WENT ON TO EMPHASIZE THAT WHILE NOT PART OF THE PLATA BASIN, CHILE IS WELL CONNECTED WITH THE REGION THROUGH HIGHWAYS AND RAILWAYS CONSTRUCTED UNDER BILATERAL AGREEMENTS.
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